

**Testimony of Jennifer Granger, President/CEO, United Community & Family Services, Inc.**  
**Concerning****SB 990 AN ACT CONCERNING COST-BASED REIMBURSEMENT FOR FEDERALLY QUALIFIED HEALTH CENTERS.****Human Services Committee**  
**February 14, 2023**

On behalf of United Community and Family Services (UCFS Healthcare) a federally qualified health center (FQHC) serving 900 square miles in Eastern CT, I am writing to support SB 990 AN ACT CONCERNING COST-BASED REIMBURSEMENT FOR FEDERALLY QUALIFIED HEALTH CENTERS. In 2022, my health center served 16,000 patients who live in economically disadvantaged communities of whom 60% are enrolled in Medicaid. We cannot turn people away based on their ability to pay for services, and patients have access to same-day medical, dental, and behavioral health care. Collectively, Connecticut's health centers serve over 417,000 residents every year, 11% of state population. Seventeen health centers operate over 250 locations serving patients who live in every town and in all 187 legislative districts

UCFS Healthcare is a critical part of Connecticut's health care safety net yet has operated for 21 years under a rate setting system that does not reflect the cost of delivering care to the communities that we serve. We have expanded the number of sites where people can get care, including in schools and care centers for the elderly, hired additional providers to meet the demand, added specialists for autism, pain management, and G.I., and modernized our electronic health records and communication tools, all without an increase in our rate that acknowledges these expansions.

FQHC Medicaid reimbursement for medical, dental, and behavioral health services increased by an average of only 1.5% per year (Medicare Economic Index (MEI)) since rates were established in 2001. The discrepancy between UCFS' rate and our costs last fiscal year resulted in an underpayment of \$1.65M. Cumulatively over the 21 years since UCFS became an FQHC in 2002, the losses total well over \$20M. Inflation and market forces for salaries and health benefits continue rise at rates that far outpace the meager 1.5% rate increase.

UCFS welcomes the opportunity to have a conversation about cost-based reimbursement for federally qualified health centers. We are grateful that the legislature is taking a keen interest in addressing underlying issue that health centers do not receive adequate Prospective Payment System (PPS) rates that are in alignment with their costs. SB 990 proposes one method to accomplish adequate payment.

The current way for a health center to receive a PPS rate increase is via a "change in scope" request, submitted to the CT Department of Social Services (DSS). However, when health centers submit documentation to DSS



detailing significant expansion in their sites and services, requests have either been denied or only honored with a nominal increase. Every year, health centers submit cost reports to DSS reflecting the allowable cost or real cost of delivering each medical, dental, and behavioral health visit. Those costs are ignored. UCFS is paid only 54% of our allowable medical costs, a \$131.74 loss per visit, and only 36% of our allowable dental cost, a loss of \$248.36 per dental visit. These losses are not sustainable and are jeopardizing our ability to serve Medicaid members.

In a recent arbitration decision<sup>1</sup>, the New Britain Superior Court ruled that the DSS “must meet federal requirements” in their response to one community health centers’ request for a rate increase based on change in scope of services offered. This decision validated federal law that authorizes health centers to seek rate increases based on a change in scope of their services and directed DSS to follow that law. Our hope is that we can work with the Department of Social Services to establish an equitable payment methodology that addresses the current shortfalls that health centers are experiencing in their reimbursement for services that will be more comprehensive than the language in the underlying bill.

While we await future rate discussions, CHCACT has been in conversation with legislative leadership to request a one-time appropriation of \$30 million to address the immediate needs of our member health centers related to the historic underpayment I described. **Without immediate relief, UCFS will be forced to reduce services and lay off staff. This investment will allow us to remain competitive in recruiting and retaining quality providers. This funding will enable CT’s Health Centers to keep our doors open and to ensure that we can continue to deliver quality care to ALL patients.**

Thank you for the opportunity to testify on this important matter.

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<sup>1</sup> <https://civilinquiry.jud.ct.gov/DocumentInquiry/DocumentInquiry.aspx?DocumentNo=24070272>

